

CAROLINE D. CIRAULO
Acting Assistant Attorney General

VIRGINIA CRONAN LOWE
Trial Attorney, Tax Division
U.S. Department of Justice
P.O. Box 683
Washington, D.C. 20044
202-307-6484 (v)
202-307-0054 (f)
Virginiacronan.lowe@usdoj.gov

Of Counsel:
DANIEL G. BOGDEN
United States Attorney
District of Nevada

IN THE UNITED STATES DISTRICT COURT FOR THE
DISTRICT OF NEVADA

LAKE LAS VEGAS MASTER TRUST,

Plaintiff,

v.

UNITED STATES INTERNAL REVENUE
SERVICE; Z'S, a defaulted Nevada
Corporation; and DOES 1 through 10, inclusive

Defendants.

LN MANAGEMENT LLC SERIES 31 RUE
MEDITERRA

Plaintiff,

v.

UNITED STATES INTERNAL REVENUE
SERVICE; Z'S, a defaulted Nevada
Corporation; and DOES 1 through 10, inclusive

Defendants.

Case No. 2:14-cv-00435-GMN-NJK

(Consolidated with
Case No. 2:14-cv-00658 GMN-NJK)

[Proposed]
ORDER OF FORECLOSURE AND
JUDICIAL SALE

1
2 The Court has entered judgment in favor of the United States and ordered foreclosure of
3 the United States' federal tax lien against four parcels of real property located at 27 Rue
4 Mediterra Dr., Henderson, NV 89011, 29 Rue Mediterra Dr., Henderson, NV 89011, 31 Rue
5 Mediterra Dr., Henderson, NV 89011 and 33 Rue Mediterra Dr., Henderson, NV 89011 the
6 Subject Property. This Order of Foreclosure and Judicial Sale is entered pursuant to the
7 provisions of 28 U.S.C. §§ 2001, 2002, and 3201 and 26 U.S.C. §§ 7402 and 7403. The Court
8 hereby orders as follows:

9 1. On March 28, 2016, this Court entered Judgment in favor of the United States and
10 against plaintiff Lake Las Vegas Master Trust (Doc. Nos. 51 and 52) in Civil No. 2:14-cv-00435-
11 GMN-NJK and on March 29, 2016, this Court entered Judgment in favor of the United States
12 and against plaintiff LN Management LLC Series 31 Rue Mediterra (Doc. Nos. 19 and 20) in
Civil No. 2:14-cv-00658-GMN-NJK.

13 2. The real properties at issue, referred to as the "Subject Properties," upon which
14 the United States is entitled to foreclose its tax lien are located at 27 Rue Mediterra Drive,
15 Henderson, Nevada 89109, APN 160-23-213-004; 29 Rue Mediterra Dr., Henderson, NV
16 89011, APN 160-23-213-003; 31 Rue Mediterra Dr., Henderson, NV 89011, APN 160-23-213-
17 002; and 33 Rue Mediterra Dr., Henderson, NV 89011, APN 160-23-213-001, respectively, and
18 are more particularly described as follows:

19 Lot Four Nineteen (419) of Marseilles (also known as "Lake Las Vegas – Parcel 25") as
shown by map thereof on file in Book 66 of Plats, Page 80, in the Office of the County
Recorder of Clark County, Nevada.

20 Lot Four Twenty (420) of Marseilles (also known as "Lake Las Vegas –
21 Parcel 25") as shown by map thereof on file in Book 66 of Plats, Page 80, in
the Office of the County Recorder of Clark County, Nevada.
22

1 Lot Four Twenty-One (421) of Marseilles (also known as “Lake Las Vegas –
2 Parcel 25”) as shown by map thereof on file in Book 66 of Plats, Page 80, in
the Office of the County Recorder of Clark County, Nevada.

3 Lot Four Twenty-Two (422) of Marseilles (also known as “Lake Las Vegas –
4 Parcel 25”) as shown by map thereof on file in Book 66 of Plats, Page 80, in
the Office of the County Recorder of Clark County, Nevada.

5 3. The United States has a valid and subsisting federal tax lien based on Z’s, A
6 Nevada Corporation’s unpaid corporate income tax liabilities for 2004 and 2005 against all
7 property and rights to property belonging to Z’s, including but not limited to the Subject
Properties.

8 4. Section 7403 of Title 26 (U.S.C.) entitles the United States to enforce its lien
9 against the Subject Properties in order to apply the proceeds towards the liabilities described in
10 paragraph 3.

11 5. The United States’ federal tax lien against the Subject Properties is hereby
12 foreclosed. The United States Marshal for the District of Nevada, his/her representative, or an
13 Internal Revenue Service Property Appraisal and Liquidation Specialist (“PALS”) representative
14 is authorized and directed under 28 U.S.C. §§ 2001 and 2002 to offer for public sale and to sell
15 the Subject Properties, free and clear of the right, title and interest of all parties to these actions
16 and any successors in interest or transferees of those parties. The United States may choose
17 either the United States Marshal or a PALS representative to carry out the sale(s) under this
18 Order of Sale and shall make the arrangements for any sale(s) as set forth in this Order. This
19 Order of Sale shall act as a special writ of execution and no further orders or process from the
Court shall be required.

20 6. The United States Marshal for the District of Nevada, his/her representative, or a
21 PALS representative shall have sole discretion to sell the Subject Properties together as one or
22 more units or to sell the Subject Properties separately. For the purposes of this order, any

reference to the “sale” or “sales” shall be construed to refer to the sale of the Subject Properties separately, or together, as determined by the United States Marshal for the District of Nevada, his/her representative, or a PALS representative.

7. The United States Marshal for the District of Nevada, his/her representative, or a PALS representative is authorized to have free access to the Subject Property and to take all actions necessary to preserve the property, including without limitation retaining a locksmith or other person to change or install locks or other security devices on any part thereof, until a deed thereto is delivered to the ultimate purchaser(s).

8. The terms and conditions of the sale(s) are as follows:

- a. Except as otherwise stated herein, the sale(s) shall be by public auction to the highest bidder(s), free and clear of all liens and interests.
- b. The sale(s) shall be subject to all laws, ordinances, and governmental regulations (including building and zoning ordinances), affecting the premises, and easements and restrictions of record, if any.
- c. The sale(s) shall be held at the Clark County Courthouse, on the Subject Properties premises, or at any other place in accordance with the provisions of 28 U.S.C. §§ 2001 and 2002, at a date and time announced by the United States Marshal, his/her representative, or a PALS representative.
- d. Notice of the sale(s) shall be published once a week for at least four consecutive weeks before the date fixed for the sale(s) in at least one newspaper regularly issued and of general circulation in Clark County, Nevada, and, at the discretion of the Marshal, his/her representative, or a

1 PALS representative, by any other notice that it or its representative may
2 deem appropriate. State or local law notice requirements for foreclosures
3 or execution sales do not apply to this sale or sales under federal law and
4 state or local law regarding redemption rights do not apply to this sale or
5 sales. The notice(s) of sale(s) shall describe the Subject Properties and
6 shall contain the material terms and conditions of sale in this Order of
7 Sale.

8 e. The minimum bid will be set by the Internal Revenue Service. If the
9 minimum bid is not met or exceeded, the Marshal, his or her
10 representative, or a PALS representative may, without further permission
11 of this Court, and under the terms and conditions in this Order of Sale,
12 hold new public sales, if necessary, and reduce the minimum bid, or sell to
13 the highest bidder(s);

14 f. Bidders shall be required to deposit at the time of sale with the Marshal,
15 his/her representative, or a PALS representative, ten percent of the
16 minimum bid, with the deposit to be made by a certified or cashier's check
17 payable to the United States District Court for the District of Nevada.
18 Before being permitted to bid at the sale(s), bidders shall display to the
19 Marshal, his/her representative, or a PALS representative satisfactory
20 proof of compliance with this requirement.

21 g. The balance of the purchase price in excess of the deposit tendered shall
22 be paid to the Marshal or a PALS representative (whichever person is
conducting the sale) within thirty (30) days after the date the bid is

1 accepted by a certified or cashier's check payable to the United States
2 District Court for the District of Nevada. If the successful bidder(s) fail(s)
3 to fulfill this requirement, the deposit shall be forfeited and shall be
4 applied to cover the expenses of the sale(s), including commissions due
5 under 28 U.S.C. § 1921(c), with any amount remaining to be applied to
6 Z's, a Nevada Corporation's federal tax liabilities, described in
7 Paragraph 3. The Subject Properties shall be again offered for sale under
8 the terms and conditions of this Order of Sale or, in the alternative, sold to
9 the second highest bidder or bidders. The United States may bid as a credit
against its judgment without tender of cash.

- 10 h. The sale(s) of the Subject Properties shall not be final until confirmed by
11 this Court. The Marshal or a PALS representative shall file a report of
12 sale(s) with the Court within 30 days from the date of receipt of the
13 balance of the purchase price.
- 14 i. Upon confirmation of the sale(s), the Marshal or PALS representative
15 shall promptly execute and deliver a deed of judicial sale conveying the
16 Subject Properties to the purchaser(s).
- 17 j. Upon confirmation of the sale(s), the interests of, liens against, or claims
18 to the Subject Properties held or asserted by the United States in the
19 Counterclaims and any other parties to this action or any successors in
20 interest or transferees of those parties shall be discharged and
21 extinguished. The sale(s) is ordered pursuant to 28 U.S.C. § 2001.
22

1 Redemption rights under state or local law shall not apply to this sale or
2 sales under federal law.

- 3 k. Upon confirmation of the sale(s), the purchaser shall have the recorder of
4 deeds, Clark County, Nevada, to cause transfer of the Subject Property to
5 be reflected upon that County's register of title.

6 9. Until the Subject Properties are sold, Lake Las Vegas Master Trust and LN
7 Management LLC Series 31 Rue Mediterra shall take all reasonable steps necessary to preserve
8 the Subject Properties (including all buildings, improvements, fixtures and appurtenances
9 thereon, if any) including, without limitation, maintaining any current fire and casualty insurance
10 on the Subject Properties. Lake Las Vegas Master Trust and LN Management LLC Series 31
11 Rue Mediterra shall not commit waste against the Subject Properties, nor shall they cause or
12 permit anyone else to do so. Lake Las Vegas Master Trust and LN Management LLC Series 31
13 Rue Mediterra shall not do anything that tends to reduce the value or marketability of the Subject
14 Properties, nor shall they cause or permit anyone else to do so. Lake Las Vegas Master Trust
15 and LN Management LLC Series 31 Rue Mediterra shall not record any instruments, publish any
16 notice, or take any other action that may directly or indirectly tend to adversely affect the value
17 of the Subject Properties or that may tend to deter or discourage potential bidders from
18 participating in the public sale, nor shall they cause or permit anyone else to do so. **Violation of
19 this paragraph shall be deemed a contempt of court and punishable as such.** Should Lake
20 Las Vegas Master Trust and LN Management LLC Series 31 Rue Mediterra fail to comply with
21 this paragraph, the United may take steps to protect the Subject Properties by seeking further
22 Court order.

1 10. All persons occupying the Subject Properties shall leave and permanently vacate
2 the Subject Properties no later than 30 days after the entry of this Order, each taking his or her
3 personal property (but leaving all improvements, buildings, fixtures, and appurtenances) when
4 leaving and vacating. If any person fails or refuses to leave and vacate the Subject Properties by
5 the time specified in this Order, the United States Marshal's Office is authorized to take
6 whatever action it deems appropriate to remove such person or persons from the premises,
7 whether or not the sale of such property is being conducted by a PALS representative. If any
8 person fails or refuses to remove his or her personal property from the Subject Properties by the
9 time specified herein, the personal property remaining at the Subject Properties thereafter is
10 deemed forfeited and abandoned, and the United States Marshal's Office or the PALS
11 representative is authorized and directed to remove and dispose of it in any manner they see fit,
12 including sale, in which case the proceeds of sale are to be applied first to the expenses of sale,
and then to the tax liabilities described in Paragraph 3.

13 11. Notwithstanding the terms of the immediately preceding paragraph, if, after the
14 sale(s) of the Subject Properties are confirmed by this Court, the Subject Properties remain
15 occupied, a writ of assistance may, without further notice, be issued by the Clerk of Court to the
16 purchaser(s) thereof.


17 12. The Marshal, his or her representative, or a PALS representative, shall deposit the
18 amount paid by the purchaser(s) into the registry of the court. Upon appropriate motion for
19 disbursement or stipulation of the parties, the Clerk will disburse the funds in the following order
20 of preference until these expenses and liens are satisfied or the proceeds are exhausted:

- 21 a. First, to the IRS, for allowed costs and expenses of the sale(s), including any
22 commissions due under 28 U.S.C. § 1921(c) and including an amount sufficient to

1 cover the costs of any steps taken to secure or maintain the Subject Properties
2 pending sale and confirmation by the Court;

- 3 b. Second, to Clark County, Nevada, for any unpaid real property taxes due and
4 owing at the time of the sale(s), including statutory accruals and interest, and less
5 any payments or credits;
6 c. Third, to the United States for the federal tax liabilities described in paragraph 3.

7 DATED this 11 day of April, 2016.

8 
9 _____
10 UNITED STATES DISTRICT JUDGE
11
12
13
14
15
16
17
18
19
20
21
22